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UNITED STATES DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE

BIN SITE STORAGE COST SURVEY - NEBRASKA

(Prepared by the Fiscal Division, CSS - January 1956)

I PURPOSE

A bin site storage cost survey in the state of Nebraska was conducted for the purpose of determining the cost of storing grain in a typical CCC storage site in the state.

This survey covered the period from November 1, 1949, when the first grain was received for storage in the storage sites, through October 31, 1955. Expenditures of the state office and sample county office chargeable to the grain bin program between July 1, 1949 and November 1, 1949 were allocated to November 1949 expenditures in the survey.

Nebraska had no CCC storage structures purchased prior to 1949. All CCC storage structures in the state were purchased in 1949, 1950 and 1953. The total storage capacity of all CCC storage facilities in the state of Nebraska, at the time of the survey, was 90,687,848 bushels.

II SAMPLE COUNTY

Dodge County was selected as a representative county for this survey. It had 4 bin sites with a total capacity of 2,654,260 bushels. It is located in one of the heavier corn producing areas of Nebraska and appeared to have sufficient variance in grain storage activities during the period of study to be representative of the grain storage activities on a statewide basis.

Only three storage sites were established in Dodge County in the fall of 1949. The total capacity constructed was 894,840 bushels. The fourth site was established in the fall of 1950 and additional structures were purchased for the original three sites increasing the total county capacity to 2,567,440 bushels. No additional structures were purchased for the remainder of the period. However, in the fall of 1954, sidewalls were added to existing structures in two of the bin sites increasing the total storage capacity in the county to 2,654,260 bushels. During the period studied the percent of occupancy ranged from a low of 28 percent to a high of 81 percent with an overall average of 54 percent.

III DETERMINATION AND ALLOCATION OF ADMINISTRATIVE COSTS

A Salaries and Other Administrative Expenses

1 Washington and CSS Commodity Offices - No salary nor administrative expense of the Washington and CSS Commodity Offices were considered in this cost survey.



2      Nebraska State Office

a      Total salary and other administrative expenses for each fiscal year, except as related below, were obtained from Form CSS 633-3 (Report of Non Months, Employment and Obligations by Object Class and Program) and its predecessor forms. This information was not available at the state office for fiscal years 1950 and 1951 and therefore the expenses for those years were estimated on the basis of the expenses of the succeeding two fiscal years.

b      Estimates were received of salary expense chargeable to the grain bin program from supervisory personnel of the state office. Their estimates were based on interviews with various employees whose time was charged in full or part to the program.

c      The total salary expense for the fiscal year, estimated in the manner described in b above was divided by the fiscal year total of Object 01 (Personal Services) for CCC Programs (Except Loans and Purchase Agreements) to determine the percentage of salaries chargeable to the grain bin program. This percentage was used to compute the amount of CCC Programs (except Loans and Purchase Agreements) All Objects expense to charge to the grain bin program. The amount obtained after the above computation was added to the total salary expense determined in accordance with b above. This total represented the total state office administrative expense to be charged to the grain bin program on a statewide basis.

d      The amount of state office administrative expenses charged to Dodge County was based on the percentage the total storage capacity in Dodge County was of the state total storage capacity each fiscal year.

3      Dodge County Office

a      Total salary and other expenses chargeable to grain bin expense for each month were obtained from Form CSS-497, (Monthly Summary of Expenditures and Collections) for all fiscal years included in this survey.

b      Allocation of personal service expense was made on the basis of information contained on each Form CSS-496 (Claim for Personal Services and Travel). Allocations were made, where identified to specific activities such as: Maintenance of storage structures and sites, local sales, shipment, etc. Where the work performed by personnel was not identified to a specific activity in the grain bin program, but all or part of the employee's salary was charged to the grain bin program, such expenses were listed as unallocated expense.

c      Unallocated expenses and expenses identified to activity were allocated to bin sites on the basis of the average monthly inventory in storage at each site during the fiscal year.



d Personal services not identified to activity were allocated on the basis of identified expenses charged to each of the activities at the bin sites.

e To the extent there was a difference between total expenditures, except personal services, charged to grain bin expense on Form CSS-497 and actual identified expenditures taken from expenditure documents, such differences for each fiscal year were allocated to the bin sites and activities in the same manner as outlined in c and d, above.

#### IV INVENTORIES

Separate records of receipts and withdrawals of grain were established by bin site, fiscal year and type and class of grain, as follows:

A Grain Receipts - This record showed month and year of receipt and the quantities were posted by grade. Monthly totals were computed, as well as fiscal year totals, of quantities by grade as well as the total of all grades.

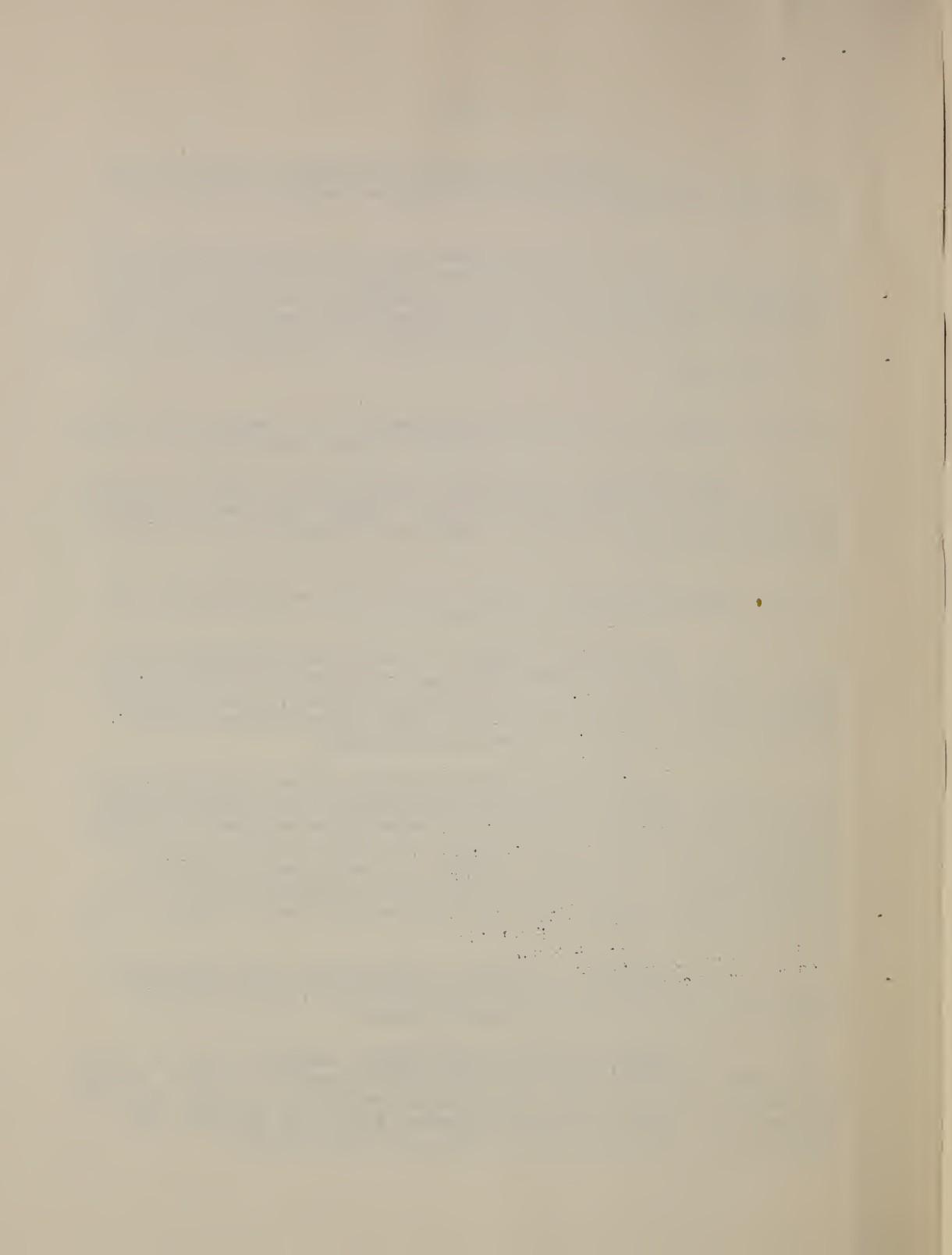
B. Grain Disposals - Separate records were established for the various types of disposals, as follows:

1 Local Sales - Graded - A record was established of all sales of grain where the sales price was determined on the basis of the grade of the grain sold. It showed date of disposal, grade and grade factors of the quantities disposed of, gross sales price per bushel, load out charge, if any, and gross sales proceeds.

2 Local Sales of Grain Not Graded, Sales of Screenings and Grain Lost or Dumped. - A record was established of all sales of grain where the sale was made at formula or market price, whichever was higher, with no adjustment for grade. It also contained a record of sales of screenings and of grain lost or dumped. It showed date of disposal, quantity disposed of under each of the three categories above, and, in the case of sales, gross sales price per bushel, load out charge, if any, and gross sales proceeds.

3 Shipments - A record of shipments was also established, showing the date of disposal, loading order number, grade and grade factors and the quantities applicable thereto.

4 Monthly and Fiscal Year Totals - Monthly as well as fiscal year totals were computed of the quantities disposed of by grade and type of disposal. Similar totals on a quantity basis only were also computed and recorded. Monthly inventory balances at each bin site were also determined and balanced with the county and state records.



C Total Inventory Received - The following types and bushels of grain were received for storage at the bin sites in Dodge County during the period covered by the survey:

Corn	3,319,813.27
Wheat	36,860.72
Rye	625.38
Barley	556.67
Grain Sorghums	<u>4,929.11</u>
	3,362,785.15

V EXPLANATION OF STORAGE AND HANDLING COSTS SHOWN ON CCC GRAIN BIN STORAGE COST SHEET

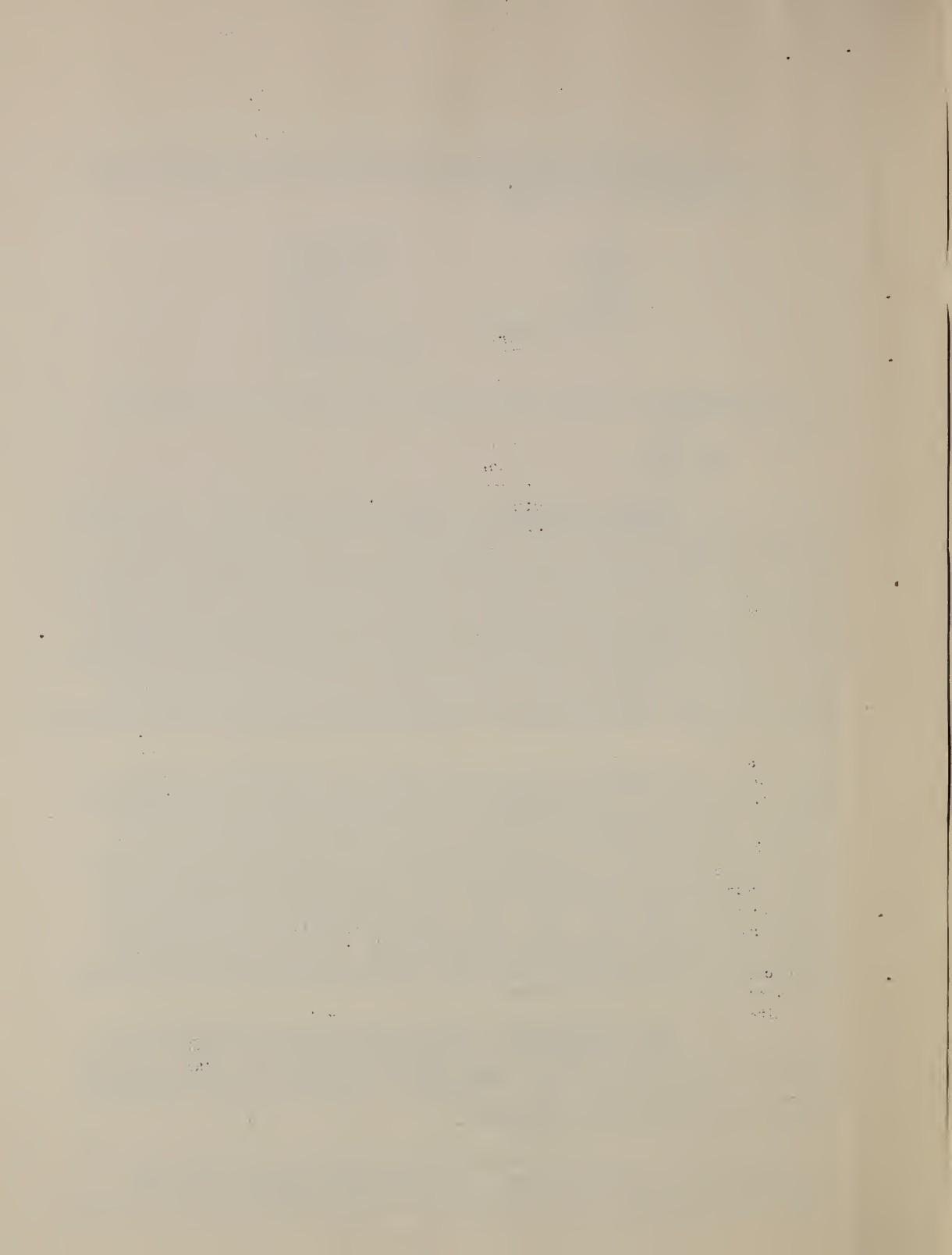
A Site Cost

1 Storage Structures - Separate cost sheets were established for recording all expenditures for storage structures by bin site, year of purchase, contract number and manufacturer. The date of payment and amount paid the manufacturer for the structures and the amounts paid for shipment of the structures to Dodge County from the manufacturer's plant were obtained from the disbursement records in the Chicago CSS Commodity Office. The amounts paid erection contractors on structures purchased unerected were obtained in the county office. Amounts paid for permanent improvements of storage structures in Dodge County, such as foundation rings, grain bin floors, etc., were obtained in the state office. No state nor county administrative or personal service expenses were allocated to this item.

Depreciation was computed on an annual basis at 5 percent of original costs, from month of disbursement, on metal structures and 10 percent of original costs on wooden structures. Depreciation computed for this expense item was confined to depreciation of cost of buildings used to store grain and did not include depreciation on equipment storage buildings. The amounts that appear on the CCC Grain Bin Storage Cost sheet opposite this expense item are the calculated amounts of depreciation charged each fiscal year. The total original costs on which the depreciation was computed amounted to \$609,501.18. A total depreciation of \$165,581.40 is shown on the cost sheet, leaving \$443,919.78 to be charged to depreciation in future years.

2 Site Preparation - Separate records were established by bin site to record the cost of site preparation which included costs for grading, roads, fencing, power installation and any other costs involved in the preparation of the site exclusive of state and county administrative and personal service expenses.

The above costs of site preparation were amortized on an annual basis at 20 percent of the original cost. The amounts that appear on the CCC Grain Bin Storage Cost sheet opposite this expense item are the calculated



amounts of amortization charged each fiscal year. The total original costs on which amortization was computed amounted to \$29,813.76. The total amortized over the period of survey is \$28,398.09, leaving a balance of only \$1,415.67 to be amortized.

3 Maintenance and Operation of Sites and Structures - This item includes all payments made by the county office for the maintenance of the grain storage structures and bin sites in good condition and for general operational expenses such as rent, electric power, labor, replacement parts and repairs on the structures, etc. A proportionate part of the county administrative and personal service expenses is included in this expense item.

4 Rental Income - The amount of rental collected during each fiscal year from leasing storage structures and bin site acreage is shown on this line.

5 Net Site Cost - The amounts shown on this line for each fiscal year represent the total of the depreciation of cost of storage structures, amortization of cost of site preparation and the actual expenditures for maintenance of sites and structures, less the rental income, if any. The annual per bushel costs have been computed on each of the expense items on the basis of average storage capacity and on all items on the basis of average monthly inventory in storage. The average costs per year, computed in a similar manner, are shown in the final columns of the cost sheet.

NOTE: Please note that fiscal year 1950 covers only an eight-month period and fiscal year 1956 covers only a four-month period. The per bushel costs shown for fiscal years 1950 and 1956 are the costs for eight or four months, respectively, and are not costs for a full year. The total costs shown in the last two columns of the cost sheet represent total costs for the six calendar years covered by the survey and the average annual per bushel costs are based on a six-year period. This note applies in the same manner to all of the remaining cost elements described in the paragraphs that follow.

#### B Equipment Cost

1 Equipment - The costs of various pieces of equipment purchased for use in Dodge County in the handling and storage of grain at bin sites were obtained from the Chicago CSS Commodity Office, the state office and the county office. Annual depreciation at 20 percent of cost was computed and it is this amount that is shown on the cost sheet. The total cost of all equipment was \$31,698.57. Depreciation totaling \$24,872.83 has been charged against the original cost in this survey, leaving a balance of \$6,825.74 to be depreciated.



2 Maintenance and Repair of Equipment - This expense item includes all expenditures made by the county office for material and labor furnished by local firms in repairing equipment, fuel for operating the equipment, replacement parts, tools and other expendable equipment. It also includes the annual depreciation at 5 percent of the original cost of equipment storage buildings, all of which were metal buildings. Each of the bin sites had one equipment storage building purchased expressly for the purpose of housing the equipment used at the site. The Fremont bin site, which had a storage capacity of 1,106,600 bushels, used, in addition, a grain storage quonset building for this purpose. The depreciation on this structure, likewise computed at 5 percent per year, is included in the annual amounts shown for this expense item. A proportionate amount of county administrative and personal service expenses is also included.

Since the computed amounts of depreciation are included in this expense item, the following is a breakdown between the amounts of depreciation and the amounts expended annually by the county office for maintenance and repair of equipment.

Fiscal Year	Depreciation	County Expenditures	Total
1950 (8 Mos.)	\$ -	\$ 582.85	\$ 582.85
1951	623.82	2,928.35	3,552.17
1952	894.97	2,795.53	3,690.50
1953	894.97	814.97	1,709.94
1954	894.97	3,861.26	4,756.23
1955	894.97	3,244.12	4,139.09
1956 (4 Mos.)	298.33	398.74	697.07
TOTAL	\$ 4,502.03	\$ 14,625.82	\$ 19,127.85

The total cost of the buildings used to house equipment was \$17,899.36. As shown above, total depreciation computed to the end of the survey was \$4,502.03, leaving a balance of \$13,397.33 to be depreciated in future years.

3 Total Equipment Cost - The total cost per bushel each fiscal year for equipment and the cost of its maintenance and repair, as well as the individual per bushel costs have been developed by using the total bushels in inventory at the beginning of the fiscal year plus quantities received plus quantities withdrawn as a basis. The per bushel costs have also been computed on the basis of the average monthly inventory in storage. In the final two columns are shown the average annual costs per bushel computed in a similar manner.



C      Maintenance of Grain in Storage -

1      Maintenance of Grain in Storage - The amounts shown for this expense item represent expenditures by the state office for fumigants and fumigating equipment for Dodge County and similar expenditures unidentified to any county, a portion of which was allocated to Dodge County on the basis of the percentage of inventory in storage in Dodge County as compared to the total stored in the state. It also includes all expenditures by the county office for care and preservation of grain in storage including labor, hire of trucks and truckers at bin sites during turning and screening operations and for movement of grain from one structure to another or from one site to another. A proportionate amount of county administrative and personal service expenses are also included.

2      Miscellaneous Income - This item represents small amounts collected in the county office for refunds of overpayments, sale of unusable items which were originally charged in whole or part to the grain bin program and other collections of this character.

3      Net Cost - This expense item represents the net cost of caring for the grain in storage. The annual and average annual per bushel costs for this item and the two items that comprise the net cost have been computed only on the basis of the average monthly inventory in storage.

D      State Office Administrative Expense - The expenses shown for this item were determined in the manner outlined in III A 2, above. The annual and average annual per bushel costs have been computed only on the basis of the average monthly inventory in storage.

E      Disposal Losses - The losses on disposals reflect the difference between the market value for the grade of grain removed from book inventory and the grade of grain actually sold or shipped. No disposal loss is shown for sales of corn sold at formula or market, whichever was higher, where the sales price was not adjusted because of a grade determination. The withdrawal records for this type of sale did not show the grade nor condition of the grain sold.

In order that proper disposal losses could be computed, a separate record for each bin site was established showing total receipts and withdrawals of corn by month and year, with the withdrawals applied monthly to the lowest grades of corn received in the following order:

- 1      Shipments
- 2      Sales - not graded
- 3      Grain dumped
- 4      Sales of Screenings
- 5      Sales - graded

Any disposals of grain, other than corn, were by local sale - not graded. Consequently, all disposal losses are confined to corn.



1 Sales of Deteriorated Grain - This expense item reflects the loss on sales of corn, where the sales price was governed by the grade of the corn sold and is the total difference between the market value of the grade removed from book inventory described above and the sales value of the grade actually sold. The loss computed in this manner is shown on a per bushel basis in the "Actual" column. Computation has also been made of the loss per bushel on the basis of the average monthly inventory in storage. In some cases no amount is shown for this latter computation because the dollar loss expressed on a per bushel basis results in a figure less than .005 cents.

2 Sales of Screenings - The loss on sales of corn screenings and the loss per bushel were computed in the same manner as the loss on sales of deteriorated grain.

3 Grain Dumped - The only grain dumped was corn. The loss on corn dumped has been computed on the basis of the market value of the grade of corn, to which the withdrawal was applied, on the date of disposal. The amount per bushel shown in the "Actual" column is that market value. The other amount per bushel was computed on the basis of average monthly inventory in storage.

4 Shipment of Deteriorated Grain - The loss on shipments of deteriorated corn has been computed by computing the difference in market value, as of the date of shipment, between the grade of corn withdrawn from the above record of receipts and withdrawals and the grades shipped. This latter grade was established from samples drawn at time of delivery for shipment. Amounts per bushel in the "Actual" are the difference in market values of the grades withdrawn and the grades shipped computed on the basis of the number of bushels shipped which was of a lower grade than that withdrawn. The amount per bushel is also shown, calculated on the basis of average monthly inventory in storage.

5 Total Disposal Losses - The total dollar loss for the above four expense items is shown for each fiscal year and for all years. The annual and average annual disposal loss per bushel was calculated only on the basis of the average monthly inventory in storage.

#### F Extraneous Losses (Estimated)

1 Deterioration of Remaining Inventory - During the month of October 1955 samples were withdrawn for grade determination from each of the storage structures containing corn at all bin sites in Dodge County. Forms CL-14 showing the October 1955 grades and related estimated quantities, prepared by the county office, were used in estimating the loss due to deterioration of grain remaining in storage. The estimated quantity shown on the Form CL-14 for each bin site was adjusted to agree in total with the book inventory developed in the survey as indicated in E, above, as of October 31, 1955.



The quantities by grades in the book inventory and on the Forms CL-14, as of October 31, 1955, and the estimated loss, based on the market values on October 31, is shown below:

Source	Bin Site	Quantity					Estimated Loss	
		1 Y	2 Y	3 Y	5 Y	S.G.		
Book Inv.	Hooper	166,042	144,302	20,533	-	-	-	-
CL-14	"	311,885	7,544	11,448	-	-	-	-
Book Inv.	No. Bend	349,821	-	-	-	-	-	-
CL-14	"	324,879	21,759	3,183	-	-	\$ 47.75	-
Book Inv.	Scribner	204,289	303,253	-	-	445	-	-
CL-14	"	378,552	123,695	5,740	-	-	79.43	-
Book Inv.	Fremont	865,926	66,157	3,136	1,994	-	-	-
CL-14	"	298,315	636,274	-	2,624	-	34.65	-
						Total	\$161.83	

2 Shrinkage of Remaining Inventory - The estimated shrinkage was computed on the basis of a summary prepared by the state office of all bin sites emptied of corn between November 1, 1949 and October 31, 1955. This summary contained the quantities received and withdrawn by fiscal year and bin site and the quantity of shrinkage at each site.

On the basis of this summary, the estimated shrinkage was determined of corn stored in Dodge County. The CCC Grain Bin Storage Cost sheet shows the estimated number of bushels lost due to shrinkage and the value is based on the market price on the last day of the fiscal year period. For fiscal years 1950 and 1956 the estimated quantities lost were adjusted to the period covered. The annual and average annual per bushel amounts are computed on the basis of the number of bushels shown and the result shown in the "Actual" column. They are also computed on the basis of average monthly inventory in storage.

3 Destruction of Bins - Windstorm, etc. - No storage structures in Dodge County had been destroyed or damaged by windstorm or other causes. However, there had been rather substantial losses of bins in the State of Nebraska during the period covered by the survey. The state office prepared a listing of structures destroyed, showing date of destruction, manufacturer, capacity and other relevant information. On the basis of this information, depreciation schedules were made, depreciating the cost of the storage structures from date of purchase to date of destruction. The amounts not yet depreciated were totaled, showing the value of the loss on a statewide basis. The CCC Grain Bin Storage Cost sheet shows the amounts allocated in the survey to Dodge County. The allocation was



made on the basis of the storage capacity in Dodge County, as it related to the total capacity for the state. The per bushel amounts have been calculated on the basis of the bushel capacity destroyed and the result shown in the "Actual" column. They have also been computed on the basis of the average monthly inventory in storage and the amount shown if it exceeded .005 cents per bushel.

4 Total Extraneous Losses - The total of expense items 1, 2, and 3, above, are shown and the per bushel cost computed on the basis of the average monthly inventory in storage.

G Total Storage Costs - This is the total of the expense items described in A through F, above, and represents all known and estimated costs of storing grain in CCC storage structures in Dodge County, Nebraska. The per bushel amounts shown were computed on the basis of the average monthly inventory in storage.

H Handling Costs

1 Receiving - This expense item represents the amounts expended by the county office for labor, weighing grain received at the bin site, and a proportionate amount of county office administrative and personal service expense. The per bushel amounts have been computed on the number of bushels received and also on the basis of the average monthly inventory in storage.

2 Shipment - This expense item includes the amount expended by the county office for labor, trucking to the warehouse or railroad siding, weighing and a proportionate amount of county office administrative and personal service expense which was allocated to this item. It represents the cost of removal of the grain from the storage structures and the delivery of it to the shipping warehouse or railroad siding. The annual and average annual per bushel costs have been computed on the basis of the quantity removed for shipment, which is shown in the actual column, and on the monthly average inventory in storage.

3 Local Sales - This expense item includes the amount expended by the county office for labor, weighing, inspection, telegraph expense and a proportionate amount of county office administrative and personal service expense allocated to this item. Since all sales were made at the bin sites, there were no delivery cost allowances, nor were any other allowances made in the sales prices. A load out charge of one cent per bushel was made on some sales, one-half cent on others and on some, no charge was made. To the extent such loadout charges were made, the amount has been deducted from the cost of removal of grain for sales and the net cost shown. The annual and average annual expenditures per bushel have been computed on the basis of bushels sold and is shown in the "Actual" column. The expenditures and loadout charge have been computed on the basis of the average monthly inventory in storage and are reflected in the other column.



4 Total Handling Costs - This expense item is a total of items 1, 2, and 3, above, and covers the costs described for those items. The annual and average annual per bushel costs have been developed on the basis of the average monthly inventory in storage.

5 Total - All Costs - This is the total of all costs described in A through H, above, and covers all known and estimated expenditures, as described in the foregoing paragraphs for CCC grain bin storage costs in Dodge County, Nebraska. The annual and average annual per bushel costs have been computed on the basis of the average monthly inventory in storage. The per bushel cost for fiscal year 1950 is for an eight month period only and for 1956 is for a four month period only.

## VI FACTORS WHICH AFFECT BIN SITE STORAGE COSTS

A Major Elements of Cost - The following expense items represented the major elements of cost for the fiscal years shown below. The cents per bushel represent the cost based on the average monthly inventory in storage.

Fiscal Year	Expense Item	Cost	Percentage of Total Costs	Cost-Cents Per Bu.	% of Occupancy
1950	Site Costs	16,156.58	44.45	2.32	
	Maintenance of Grain	6,926.47	19.06	.99	
	Handling Costs	5,154.65	14.18	.74	
		\$ 28,237.70	77.69	4.05	80
1951	Site Costs	37,282.58	49.17	4.02	
	Maintenance of Grain	13,354.25	17.61	1.45	
	Equipment Costs	7,167.45	9.45	.77	
		\$ 57,804.28	76.23	6.24	48
1952	Site Costs	47,794.41	41.14	4.95	
	Maintenance of Grain	39,629.82	34.01	4.10	
	Disposal Losses	9,302.06	8.00	.96	
	Extraneous Losses	7,483.25	6.44	.77	
		\$ 104,209.54	89.69	10.78	38
1953	Site Costs	42,563.61	62.47	5.87	
	Maintenance of Grain	9,456.26	13.88	1.31	
		\$ 52,019.87	76.35	7.18	28
1954	Disposal Losses	47,979.88	28.78	3.19	
	Site Costs	42,435.42	25.45	2.83	
	Maintenance of Grain	27,052.17	16.23	1.80	
	Handling Costs	25,542.28	15.32	1.69	
		\$ 143,009.75	85.78	9.51	58
1955	Site Costs	44,627.92	38.83	2.16	
	Maintenance of Grain	20,647.77	17.97	.99	
	Extraneous Losses	13,441.89	11.69	.65	
	Handling Costs	14,254.45	12.40	.68	
		\$ 92,972.03	80.89	4.48	78



Fiscal Year	Expense Item	Cost	Percentage of Total Costs	Cost-Cents Per Bu.	% of Occupancy
All	Site Costs	\$ 247,539.20	41.07	.334	
	Maintenance of Grain	117,956.38	19.69	1.61	
	Disposal Losses	76,000.09	12.61	1.03	
	Handling Costs	54,248.11	8.87	.73	
	Extraneous Losses	48,471.82	8.38	.73	
		\$ 544,215.60	91.12	<u>1/7.44</u>	54

1/ Costs per bushel in this group are the average annual costs computed for the six year period covered by this survey.

As shown above, site costs was the major element of cost each fiscal year except 1954 and averaged 41.41 percent of the total cost of operating the bin sites in Dodge County. The cost of storage structures (depreciation) is a fixed cost and represents approximately 65 percent of the total site costs.

By computing the annual and average annual costs per bushel on the basis of average monthly inventory in storage, the effect of occupancy on the per bushel costs may be determined. The following annual costs of storage structures (depreciation) are almost equal, but the per bushel costs increase and decrease in relation to the percentage of occupancy:

Fiscal Year	*Cost	Cost Cents per Bu.	% of Occupancy
1952	\$ 30,853.39	3.19	38
1953	31,080.03	4.29	28
1954	31,528.04	2.11	58
1955	31,685.95	1.53	78

The cost per bushel of all expense items, when computed on the basis of average inventory, are affected in a similar manner by the percentage of occupancy.

B Actual Costs - The cost per bushel for many of the expense items are shown on an actual basis. These costs have been computed on the quantity involved in the operation. They are significant figures for each expense item, but they cannot be added to arrive at an annual cost for storage and handling of grain in CCC storage sites.

Because of the large inventory in storage, as compared to the quantities used to compute the costs per bushel on an actual basis, the costs computed by using the average inventory in storage figure in some instances appear to be rather insignificant. However, for some of the operations where an actual cost per bushel amount is shown, that cost should be considered in planning future operations. For example, if all of the remaining grain in CCC storage sites in Dodge County were to be withdrawn for shipment in the near future, it could be assumed that the cost for the elements of expense described in V H 2 would be approximately 2.94 cents per bushel rather than .12 cents. Likewise, if all of the corn



in the storage sites in Dodge County were to deteriorate to exactly the same degree that the 425,422 bushels did, and it was all disposed of by sale during a fiscal year at the same market discounts as were taken on the 425,422 bushels, the disposal loss, computed on an average monthly inventory in storage figure, would far exceed .61 cents and would probably be close to 10.72 cents per bushel.

It appears that the costs per bushel computed on the basis of average monthly inventory in storage are the proper costs to use as a guideline for future operations on all expense items shown on the CCC Grain Bin Storage Cost sheet from "Storage Structures" down through "State Office Administrative Expense." The actual costs per bushel for the remainder of the expenses listed should be carefully considered in determining the balance of costs of operating CCC storage sites.

C      Unusual Costs

1      Fiscal Year 1950 - Under Handling Costs - Shipment, the cost per bushel, based on the number of bushels shipped, is 15.26 cents per bushel. A bin burst and spilled approximately 802 bushels of corn on the ground, making it unsafe for further storage. The high cost is caused by charging this item with all expenses involved in the rental of an elevator for one day, shoveling up and delivering this quantity for shipment.

2      Fiscal Year 1952 - Under Maintenance of Grain in Storage, the total net costs are \$38,889.30, the greatest expenditure for this expense item in any of the fiscal years. The high cost during this fiscal year was caused primarily by the large purchases of fumigant during this fiscal year for use in Dodge County. The total expenditures for fumigants for delivery to bin sites in Dodge County totaled \$19,232.00. Expenditures in other fiscal years for fumigant were nominal in comparison.

D      Percent of Occupancy - The low percentage of occupancy during the period covered by the survey was caused primarily by the following two factors.

1      Fremont Bin Site - As stated previously, the Fremont bin site was started in the fall of 1950 and grain storage structures having a total manufacturer's rated capacity of 1,106,600 bushels were erected at this site. Elevators in and near Fremont increased their storage capacity under the Guaranteed Storage Program in the fall of 1950.

Because of the poor harvest in 1950, due to climatic conditions, the late construction of the storage buildings at the site and the increased commercial elevator space, very little grain was received at this bin site. No volume of grain was received in this site until the fall of 1953. The following shows the percent of occupancy at the Fremont bin site for each of the fiscal years beginning with 1951:

1951	3%
1952	7%
1953	9%
1954	53%
1955	83%
1956	88%



2      Turning Space - It is the policy of the Nebraska State Office to leave one building, having the largest capacity, vacant at each bin site for use in turning the grain.

The capacities used in this survey are the total manufacturer's rated capacity of all structures erected for storage of grain with no deduction for turning space. If turning space were deducted from the total capacity, the total would be reduced from 2,654,260 bushels to 2,478,476 bushels. Had this latter figure been used for fiscal year 1955, the percent of occupancy would have been 84% and in 1956, 87%. However, it was determined that the space required for turning was an important part of the over-all operation and should be included in the total average capacity. No doubt, during heavy delivery periods, the empty structures were filled or partially filled on an emergency basis in some counties. However, if Dodge County carefully follows the policy of the state office, the ultimate percent of occupancy in all bin sites in the county would be approximately 9 $\frac{1}{4}$  percent.





